

3 be accounted for by him in the same manner as other fees received in  
4 the discharge of the duties of his office:

5 1. For filing and examination of the articles of incorporation for  
6 organization in this state and the accompanying general plan of oper-  
7 ation of any benevolent association, and the issuing of the permission  
8 to do business, ten dollars.

9 2. For filing an annual statement of a benevolent association, and  
10 issuing the renewal of the permission required by law to authorize  
11 continuance in business, three dollars.

1 SEC. 6. Such associations may operate without the establishment  
2 of reserves or surplus except for current expenses. Contributions for  
3 expenses shall be added as a separate item to contributions for mem-  
4 bership benefits. A reasonable membership fee to cover initial ex-  
5 penses may be charged.

1 SEC. 7. Within thirty days after acceptance to membership a cer-  
2 tificate, the form of which has been approved by the commissioner,  
3 shall be delivered to each member. The certificate shall set forth the  
4 name of the association, the name of the member, a statement as to  
5 the benefits of membership, to whom such benefits are payable, and  
6 such other provisions as are, in the opinion of the commissioner, neces-  
7 sary to inform the member of his rights in the association. The com-  
8 missioner before approving any certificate shall be satisfied that any  
9 benefits to be paid a member or the beneficiary of a member are rea-  
10 sonable in relationship to any and all charges made or assessed against  
11 the membership. The certificate shall not indicate therein that the  
12 plan or benefits constitute an insurance policy.

1 SEC. 8. Except as otherwise provided by law, it shall be unlawful  
2 for any person or corporation to operate a benevolent association in  
3 this state except as provided for in this Act. Any person violating the  
4 provisions of this Act shall be subject to a fine not exceeding one  
5 thousand dollars or imprisonment in the county jail not exceeding  
6 thirty days, or both such fine and imprisonment.

Approved June 22, 1967.

## CHAPTER 369

### PHARMACEUTICAL SERVICE

H. F. 176

AN ACT to amend chapter five hundred fourteen (514), Code 1966, relating to the participation of pharmacies in a pharmaceutical service plan.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section five hundred fourteen point one (514.1), Code  
2 1966, is hereby amended by inserting in line nineteen (19) after the  
3 word "contract" the following:

4 "or any such corporation organized for the purpose of establishing,  
5 maintaining, and operating a nonprofit pharmaceutical service plan,

6 whereby pharmaceutical service may be provided by the said corpora-  
7 tion or by a licensed pharmacy with which it has a contract for such  
8 service, to such of the public who become subscribers to said plan  
9 under a contract which entitles each subscriber to pharmaceutical  
10 service.”.

1 SEC. 2. Section five hundred fourteen point two (514.2), Code  
2 1966, is hereby amended by inserting in line three (3) after the word  
3 “corporation” the following:

4 “, or a nonprofit pharmaceutical service corporation”.

1 SEC. 3. Section five hundred fourteen point five (514.5), Code  
2 1966, is hereby amended by adding paragraph three (3) as follows:

3 “Any pharmaceutical service corporation organized under the pro-  
4 visions of said chapter may enter into contracts for the rendering of  
5 pharmaceutical service to any of its subscribers. Membership in any  
6 pharmaceutical service corporation shall be open to all pharmacies  
7 licensed under chapter one hundred fifty-five (155) of the Code.”

1 SEC. 4. Section five hundred fourteen point six (514.6), Code  
2 1966, is hereby amended by inserting in line three (3) after the word  
3 “service” the following:

4 “, or for pharmaceutical service”.

1 SEC. 5. Section five hundred fourteen point seven (514.7), Code  
2 1966, is hereby amended as follows:

3 1. By inserting in line three (3) after the word “service” the fol-  
4 lowing: “or for pharmaceutical service”.

5 2. By adding at the end of said section the following: “The com-  
6 missioner shall require that participating pharmacies be reimbursed  
7 by the pharmaceutical service corporation at rates or prices equal to  
8 the rates or prices charged nonsubscribers, unless the commissioner  
9 determines otherwise to prevent loss to subscribers.”

1 SEC. 6. Section five hundred fourteen point eight (514.8), Code  
2 1966, is hereby amended by inserting in line six (6) after the word  
3 “service” the following:

4 “, or with participating pharmacies for pharmaceutical service”.

1 SEC. 7. Section five hundred fourteen point eleven (514.11), Code  
2 1966, is hereby amended by inserting in line four (4) after the word  
3 “plan” the following:

4 “or pharmaceutical service plan,”.

1 SEC. 8. Section five hundred fourteen point thirteen (514.13),  
2 Code 1966, is hereby amended by inserting in line nine (9) after the  
3 word “service” the following:

4 “or any pharmacy with whom any such corporation has a contract  
5 for pharmaceutical service,”.

1 SEC. 9. Section five hundred fourteen point sixteen (514.16), Code  
2 1966, is hereby amended as follows:

3 1. By inserting in line eight (8) after the second word “plan” the  
4 following:

5 “or pharmaceutical service plan,”.

- 6     2. By inserting in line sixteen (16) after the word "plan" the fol-  
7     lowing:  
8     "or pharmaceutical service plan".  
9     3. By inserting in line twenty-six (26) after the word "corpora-  
10    tion" the following:  
11    "or pharmaceutical service corporation".

1     SEC. 10. This Act being deemed of immediate importance shall be  
2     in full force and effect from and after its passage and publication in  
3     The Sioux Center News, a newspaper published at Sioux Center, Iowa,  
4     and in The Marion Sentinel, a newspaper published at Marion, Iowa.

Approved June 15, 1967.

I hereby certify that the foregoing Act, House File 176, was published in The Sioux Center News, Sioux Center, Iowa, June 29, 1967, and in The Marion Sentinel, Marion, Iowa, June 22, 1967.

MELVIN D. SYNHORST, *Secretary of State.*

## CHAPTER 370

### FIRE AND CASUALTY INSURANCE

#### H. F. 696

AN ACT relating to subsidiary companies of fire and casualty insurance companies.

*Be It Enacted by the General Assembly of the State of Iowa:*

- 1     SECTION 1. Chapter five hundred fifteen (515), Code 1966, is here-  
2     by amended by adding thereto the following section:  
3     "Any insurance company incorporated in this state may organize,  
4     or acquire by purchase, in whole or in part, subsidiary insurance and  
5     investment companies in which it owns not less than fifty-one (51)  
6     percent of the common stock, and, subject to the approval of the in-  
7     surance commissioner and provided that no company invest an amount  
8     in excess of thirty percent (30%) of its capital and surplus in the  
9     stock of such subsidiary companies, may:  
10    1. Invest funds from surplus for each purpose.  
11    2. Make loans to such subsidiaries.  
12    3. Permit all or part of its officers and directors to serve as officers  
13    or directors of any such subsidiary companies."

Approved June 30, 1967.